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FROM THE AMBASSADOR
MANILA FOR USED AT ADB

E.O. 12958: N/A

TAGS: [PGOV](#) [PREL](#) [PTER](#) [EAID](#) [CE](#)

SUBJECT: POST-TSUNAMI ASSISTANCE TO MALDIVES

REF: A. COLOMBO 697

[B](#). COLOMBO 694

[C](#). COLOMBO 704

[1](#)1. Reftels detail my recent visit to Maldives, where I had extensive discussions with Maldives Government officials and with UNDP on the state of reconstruction planning and the options for tsunami assistance. I came away with several clear impressions.

--Government of Maldives (GORM) is very much on top of this issue. Maldivian officials have developed a comprehensive and clear macro reconstruction plan, broken down by sectors. At the micro level, each atoll has a detailed plan, showing specific projects.

--GORM is committed to ensuring that the National Fund (formerly Trust Fund) is properly run, with exemplary transparency and accountability, and with both internal and external audits.

--Moreover, GORM is willing to work with donors to meet their own particular needs. They will allow funds to be earmarked as requested, allow donors oversight as needed. Tenders for services will be conducted through a transparent tendering process.

[1](#)2. On non-financial issues, GORM has given strong assurances that there will be no forced relocation. My conversations with tsunami-affected persons on tsunami-damaged atolls indicate that most of them are willing to relocate to larger, better-protected islands. This issue will of course need constant watching, but I feel we are on good ground now.

[1](#)3. Maldives is still somewhat the forgotten child of the tsunami. Death figures were low, but physical destruction

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was quite substantial, and the overall economic impact of the tsunami is greater here than in any other affected country.

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We need to make a substantial contribution; a total US contribution of \$10 million -- including the approximate \$1.5 million we spent on emergency relief -- would be appropriate, given the assessed need of \$600 million. We also need to encourage the private sector to keep Maldives in mind. Maldivian officials are eager and ready to work with private contributors. In that regard, Washington needs to make sure Maldives is included in the private sector summit. And finally, we should ensure Maldives is included in regional Early Warning System assistance.

[1](#)4. In sum, I believe that we can and should work through the National Fund. The Maldivians are ready to meet our specific needs. I believe that our next step should be to send out a small team under Embassy Colombo direction to consult with GORM and look in detail at the reconstruction plan. This team could include a financial expert to deal with Fund issues, a development expert, and perhaps an engineer or other technical expert, if we wish to become involved in infrastructure projects. (There is a major need to rebuild jetties and harbor walls, which are crucial to this island nation, and which would have a large public relations benefit.) We could then decide on specific projects we wish to fund and how to proceed with them.

[1](#)5. Maldives was hit badly and the Maldivians are working hard to recover. They deserve our help, and there is a clear way to move forward. We understand and agree fully with our normal reservations about working through Trust Funds. In Maldives I believe we can easily overcome those problems and, given the uniqueness of Maldives' situation, the "National Fund" makes sense. Lets decide to move ahead.

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